

**GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA**

UNSTARRED QUESTION NO:2518
ANSWERED ON:16.12.2008
WHOLESALE PRICE INDEX
Vijay Krishna Shri

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether the Government is considering a proposal to change the weightage of different goods and services in the composite Wholesale Price Index (WPI) based on Abhijit Sen Committee report; and

(b) if so, the details thereof alongwith the recommendations submitted by the committee and the time by which the proposal is likely to be implemented?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE & INDUSTRY(SHRI ASHWANI KUMAR)

(a) & (b) : The Working Group for revision of Wholesale Price Index (WPI) set up under the Chairmanship of Prof. Abhijit Sen, Member, Planning Commission submitted its Technical Report to the Government in May, 2008. The Working Group has recommended shifting of the base from 1993-94 in the existing series of WPI to 2004-05 in the new series of WPI. The Product Basket of the new series, tentatively proposed by the Working Group, comprises of 1224 products as compared to 435 products in the existing series. A comparative view of the weighting diagram of the new series (tentative) vis-à-vis the existing series is given in the table below:

Description	Weight (1993-94)	Weight (2004-05)
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All Commodities	100.00	100.00
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I.Primary Articles	22.03	20.12
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II.Fuel & Power	14.23	14.91
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III.Manufactured Products	63.75	64.97
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As stated above, the composition of the product basket and weighting diagram in the new series is tentative in nature. There may be need for adjustment in the product basket and weighting diagram depending on the flow of prices and consequent need for dropping some of the items from the new basket recommended by the Working Group.

The flow of weekly prices of the items included in the new basket from April-2004 onwards is a pre-requisite for undertaking the test run of the new series of WPI. The Office of the Economic Adviser, DIPP is in the process of collecting, computerizing and scrutinizing such prices with the help of different Ministries/Organisations.